

A-pages

This refers to the Governor's Budget Summary. This is a companion publication to the Governor's Budget which outlines the Administration's goals and objectives for the forthcoming fiscal year. This publication provides a perspective on the Governor's policy and highlights significant fiscal and/or structural features that are being proposed.

Abatement

A reduction of an expenditure that has already been made. In State accounting, only the following are considered abatements:

- refund of overpayment of salary
- refunds from vendors for defective merchandise, returned merchandise, returned empty containers, or other reasons
- jury duty witness fees
- property damage or loss recoveries
- sales tax collected if the collection is to be abated to a legislative appropriation specific in amount.
- Sales of items that were budgeted to be "traded in." Other receipts from sales are considered revenue.
- merit award payments received from another agency or fund.
- airline compensation payments for employees who are denied boarding.

Abolishment of Fund

Whenever a special fund is abolished by the operation of the law, all of its assets and liabilities are transferred by the Controller to a successor fund. If no successor fund is specified, then the General Fund shall be deemed the successor fund.

Accrual basis of accounting

The basis of accounting in which the recording of revenue when it is earned regardless of when the cash is received, and expenditures when they become valid obligations whether paid or unpaid. California uses this basis.

Administration

The Governor's Office and those individuals and offices reporting directly to it.

Administration Program Costs

An accounting for departmental central management costs. These typically include such costs as the Director's Office, Legal Office, Personnel Office, Accounting and Business Services functions that generally serve the whole department. "Administration-distributed" represents the distribution of these indirect costs to the direct program activities of a department. In most departments, all administrative costs are distributed to other programs.

Administratively Established Positions

See Control Section 31.00.

Agency

An Agency is either:

1) A legal or official reference to a government organization at any level in the State organizational hierarchy. See the Uniform Codes Manual (UCM) for the hierarchy of State Government Organizations.

OR

2) A government organization belonging to the highest level (level A) of the State organizational hierarchy as defined in the Uniform Codes Manual.

OR

3) An organization whose head (Agency Secretary) is designated by Governor's order as a cabinet member.

Allocation

A distribution of funds, or an expenditure limit established for an organization unit or function.

Allotment

The approved division of an amount - usually an appropriation - to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line item expenditure basis by program or organization.

Amendment

A proposed or accepted change to a bill in the Legislature. Also used to refer to proposed or accepted changes to the California Constitution or other existing law made by legislation or ballot initiative.

Appropriated Revenue

Revenue which, as it is earned, is reserved and appropriated for a specific purpose. An example is student fees received by state colleges, which are by law appropriated for the support of the colleges. The revenue does not become available for expenditure until it is earned.

Appropriation

An appropriation is an authorization from a specific fund to a specific agency to make expenditures or incur liabilities for specific purposes. It is usually limited in amount and as to the period of time during which the expenditure is to be incurred. The Budget Act contains many appropriations, or items. These appropriation items are limited to one year, unless otherwise specified. Appropriations are made by the Legislature in the annual Budget Act and in other legislation. Continuous appropriations can be provided by legislation or the California Constitution. Appropriations can also be made by the voters.

An appropriation shall be available for encumbrances during the period specified therein, or if not specified, for a period of three years after the date upon which it first became available for encumbrance. An appropriation containing the term "without regard to fiscal year" shall be available for encumbrance from year to year until expended. Liquidation of encumbrances must be within two years of the expiration date of the period of availability -- at which time the undisbursed balance of the appropriation is reverted back into the fund's surplus.

Appropriations Limit (State Appropriations Limit, SAL)

As defined in Section 8 of Article XIII B of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's

ARTICLE B
Section 8
C.S. 12.00
Government Code
(GC). 7900 et seq

appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another. The acronym "SAL" is used to refer to the State Appropriations Limit.

Appropriation Schedule

The detail of an appropriation, showing the distribution of the appropriation to each of the categories, programs or projects thereof.

Assembly

Article IV, § 2 (a)

California's lower house of the Legislature composed of 80 members who are elected every two years. No member of the Assembly may serve more than 3 terms.

Audit

Financial Audit vs. Performance Audit

Augmentation

An increase in a previously authorized amount (appropriation or allotment). For instance, a control section of the Budget Act may authorize the increase in expenditures for a program, category, or project by transfer from any other program, category, or project within the same schedule. A separate section of the Budget Act authorizes the augmentation of scheduled amounts from other departments, and from the federal government to the extent such funds have not been taken into consideration in the appropriation schedules. The control sections require the reporting of specified augmentations to the chairperson of the committee in each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.

The amount of an appropriation may be increased over the amount originally authorized. Usually an augmentation may be made by a transfer from the Allocation for Emergencies and Contingencies Item; Employee Compensation Item; or other special appropriations created for such purpose. The transfer of such augmentation usually is implemented by an Executive Order or by Budget Revision.

Authorized

Given the force of law (e.g., statute, Executive Order, etc.). For some action or quantity to be authorized, it must be possible to identify the enabling source, and date of, authorization.

Authorized Positions

G.C. 18805
SAM 6206

Those ongoing positions approved in the final budget of the preceding year less positions abolished because of continued, extended vacancy. The detail of authorized positions by classification is published in the Salaries and Wages Supplement for each agency. Changes in authorized positions are either listed following each department's budget presentation in the Governor's Budget or as supplemental schedules to the Budget. (See Proposed New Positions.) Positions may be administratively established (see Control Section 31.00).

Availability Period

That time during which an appropriation may be encumbered (i.e., expenditures may be made). The period of availability is usually specified by the law creating the appropriation. If no specific period is provided, the period of availability automatically becomes three years. Generally, appropriations for state operations are available for one year and those for capital outlay for three years. An appropriation with the term "without regard to fiscal year" has an unlimited period of availability and may be encumbered at any time until it is exhausted. Appropriation

accounts are kept open by the Controller for a period of two years after the expiration period to allow for liquidations of encumbrances. (see also encumbrances)

Balance Available

In regards to a fund, it is the amount available for appropriation or encumbrance. It is the excess of cash and near-cash assets commonly called surplus available for appropriation. For appropriations, it is the unobligated balance of an appropriation which may be encumbered.

Baseline Adjustment

A change from the currently authorized budget necessary to maintain the current level of service or activities in the current year or in a future planning year.

Baseline Budget

SAM 6016

A baseline budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Legislature. It sometimes includes adjustments for cost increases, but does not include changes in level of service over that authorized by the Legislature.

Bill

- (1) A draft of a proposed law presented to the Legislature for enactment. A bill has greater legal formality and standing than a resolution.
- (2) An invoice, or itemized statement, of an amount owing for goods and services received.

Board of Control, State (BOC)

GC 13900

The BOC is an administrative body in State government exercising quasi-judicial powers (power to make rules and regulations) to establish an orderly procedure by which the Legislature will be advised of claims against the State when no provision has been made for their payment.

The rules and regulations adopted by the BOC are compiled in the California Administrative Code.

The BOC is composed of the Director of Department of General Services (DGS), State Controller's Office (SCO) (acting as ex officio) and a third member of appointed by the Governor. The Director of DGS is the chair.

Bond Funds

Bond Funds are used to account for the receipt and disbursement of bond proceeds. They do not account for bond retirement since the liability created by the sale of bonds is not a liability of these funds. Bonds are retired and the principal and interest obligations thereon are paid through the General Fund or a sinking fund depending on the provisions of the bond act.

Bond Funds related to a public service enterprise are included in the Public Service Enterprise Fund classification.

Budget

GC 13320, 13335
SAM 6100

A plan of operation expressed in terms of financial or other resource requirements for a specific period of time.

Budget Act (BA)

SAM 6037

This is an annual statute authorizing State agencies to expend appropriated funds for the purposes stated in the Governor's Budget. The Legislature normally amends, increases, and decreases the proposed Budget Bill. It becomes the Budget Act after it is passed by both houses of the Legislature and signed by the Governor. Items in the Budget Bill may be vetoed or decreased but not increased by the Governor prior to signature.

Budget Bill

GC 13338
SAM 6025, 5032

The Budget Bill is prepared by the Department of Finance and is submitted to the Legislature in January accompanying the Governor's Budget. The Budget Bill is the Governor's proposal for spending authorization needed for the subsequent fiscal year for on-going programs authorized by the Legislature. Each house has its own bill. The bills' authors are typically the budget committee chairpersons. The California Constitution requires the Legislature to pass the Budget Bill and send it by June 15 each year to the Governor for signature. After signature by the Governor, the Budget Bill becomes the Budget Act.

Budget Change Proposal (BCP)

SAM 6017

A BCP is a proposal to change the level of service or funding sources for activities authorized by the Legislature, or propose new program activities not currently authorized, or to delete existing programs. Specific instructions for preparation of BCPs can be found in SAM Sections 6017 and 6018, and in annual Department of Finance budget letter instructions.

Budget Cycle

The period of time, usually one year, required to prepare a Financial Plan for the State, and enact that portion of it applying to the budget year. Significant events in the cycle include preparation of the Governor's proposed budget (mostly done between July 1st and January 10th), submission of the Governor's Budget to the Legislature (currently done by January 10th), revision of the Governor's Budget by the Legislature and return of the revised budget to the Governor for approval (which the California Constitution requires be done by June 15th), and the signing of the budget by the Governor (by June 30th).

Budget Program/Traditional

A program budget expresses the operating plan in terms of the costs of activities to be undertaken to achieve specific goals and objectives within a structure of programs. A traditional budget expresses the plan in terms of categories of costs of the goods or services to be used to perform specific functions. The governor's Budget is primarily a program budget. However, a more detailed categorization of proposed expenditures for goods and services (Summary by Object) is generally included for State Operations, Local Assistance and Capital Outlay for each department as well.

Budget Revision (BR)

SAM 6231, 6237

A document, usually approved by the Department of Finance, which authorizes a change in an appropriation. The Controller is only concerned with BRs that either increase the appropriation or make changes to the categories or programs within the appropriation as scheduled in the budget act. A Budget Revision which increases the total amount of an appropriation requires an Executive Order (EO) or legislative appropriation to provide the necessary funds - except for reimbursements and federal funds for which no EO is necessary.

Budget Year (BY)

SAM 6100

The next fiscal year beginning July 1 and ending June 30 for which the Governor's Budget is submitted. The year following the current fiscal year.

COBCP

A Capital Outlay Budget Change Proposal. (See Capital Outlay, and see budget change proposal)

CALSTARS

CALSTARS is the acronym which stands for the **C**alifornia **S**tate **A**ccounting and **R**eporting **S**ystem. CALSTARS is the State's primary accounting system. However, some departments maintain their own systems. The enabling legislation was passed in 1978 with statutory authority in Government Code Section 13300.

Capital Outlay (CO)

GC 13300

The expenditures of funds to acquire land or pay the cost of planning and construction of new buildings, or additions to and modification of existing buildings, and the equipment which is related to such construction.

Carryover Appropriations

Appropriations for which availability for expenditure crosses fiscal years. Typically, carryover appropriations are those which are available for more than one year.

Cash Basis

The system of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid.

Cash Flow Statement

SAM 6238-6240

A statement of cash income and outgo. It deals with those transactions affecting cash. This statement shows the receipt and disposition of cash during a period. Amounts recorded as accruals, which do not affect cash, are not reflected in this statement.

Category

A grouping of related types of expenditures. In the Uniform Codes Manual (UCM), there are seven groupings. They are: Personal Services, Operating Expenses and Equipment, Reimbursements, Special Items of Expense, Unclassified, Local Costs, Capital Costs, and Internal Cost Recovery.

Category Transfer

A Control Section (currently Section 26.00; prior to 1996-97 - Section 6.50) of the Budget Act provides that the Department of Finance is authorized to augment any program category or function by transfer from any other program category or function within the same appropriation item schedule. The amounts of the allowable transfer are specified in the section along with specific reporting requirements.

Change Book

SAM 6038

The process by which legislative changes to the Governor's Budget are recorded for each house and the recording of the final action on these changes by the Legislature and the Governor. A Final Change Book is published after enactment of the Budget which provides detailed fiscal information relating to the changes made by the Legislature, including changes made by the Governor's vetoes.

Changes in Authorized Positions (also referred to as Schedule 2)

SAM 6112

A schedule either included in each budget presentation in the Governor's Budget or as a supplemental schedule to the budget which reflects personnel staffing changes made subsequent to the adoption of the current year budget (transfers, positions established, and reclassifications). It also includes proposed new positions for the budget year.

Chapter

A legislative bill which becomes law is filed with the Secretary of State. The Secretary of State assigns the enacted bill a sequential number beginning with the calendar year. The enacted law then is referenced by this "chapter" number, and the year in which it became law. Example: Chapter 1, Statutes of 1997 would refer to the first bill enacted in 1997.

Character of Expenditure

A grouping of purposes of expenditures. In the UCM there are three such groupings. They are: State Operations, Local Assistance and Capital Outlay.

Claim

An expenditure voucher in the form of an affidavit from a state agency requesting payment of a lawful obligation of the State. In the claim form itself is a schedule showing the legal authority under which the claim may be paid and the amount to be charged.

Codes, Uniform

See Uniform Codes Manual.

"Comping"

A generic term for computing the mathematical accuracy of a financial document.

Conference Committee

SAM 6034

When one house of the Legislature refuses to concur with amendments on a bill made by the other house, each house typically appoints 3 members (2 majority, 1 minority) to meet and resolve the differences. If resolution cannot be reached, another conference committee can be selected, but no more than 3 different conference committees can be appointed on any one bill. Budget staff often just call the conference committee on the annual budget bill as the "Conference Committee".

Continuous Appropriation

Permanent constitutional or statutory expenditure authorization which is automatically renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or it may be whatever amount is designated for the

purpose as determined by formula, e.g., school apportionments. Note: Government Code Section 13340 sunsets most statutory continuous appropriations. Section 30.00 of the annual Budget Act traditionally extends the continuous appropriations for one additional year.

Control Sections (CS) (Budget Act)

The Budget Act is divided into sections. Section 1.00 establishes a citation for the legislation. Section 1.50 provides a description of the format of the act. Section 2.00 contains the itemized appropriations for support of the State of California. Sections 4.00 through 36.00 are general sections, also referred to as control sections, which place additional restrictions on one or more of the itemized appropriations contained in Section 2.00.

Conversion Code Listing

See Finance Conversion Code Listing

Cost-of-Living Adjustments (COLA)

Increases provided in state-funded programs which include periodic adjustments predetermined in state law (statutory), e.g. K-12 education apportionments; or may be established at optional levels (discretionary) by the Administration and the Legislature each year through the budget process.

Current Year (CY)

SAM 6100

A term, applied to budgeting and accounting, designating the operations of the present fiscal period as opposed to the past or future periods (i.e. the time period we are in now). For the State, the fiscal year begins July 1 and ends the following June 30.

Debt Service

The amount of interest payable periodically on bonded debts plus the amount to pay the principal of any maturing bonded debts.

Deficiency

A lack or shortage of (1) money in a fund, (2) expenditure authority due to an insufficient appropriation or (3) expenditure authority due to a cash problem (e.g., reimbursements not received on a timely basis).

GC 11006,
13332.04
BA Item 9840
C.S. 27.00

Department

A Government organization, usually belonging to the third level (level 1) of the State organizational hierarchy as defined in the Uniform Codes Manual.

Department of Finance (DOF)

Articles 2 & 3
GC § 13320-13342,
16304 et seq.

The department that is delegated the responsibility for preparation of the Governor's Budget. The Director of Finance functions as the Governor's chief fiscal adviser. Major activities of the department include:

- Establish appropriate fiscal policies to carry out the Administration's programs;
- Prepare, enact and administer the State's Annual Financial Plan;
- Analyze legislation which has a fiscal impact;
- Develop and maintain the California State Accounting and Reporting System (CALSTARS) ;
- Monitor/audit expenditures by State departments to ensure compliance with approved standards and policies;

- Develop economic forecasts and revenue estimates;
- Develop population and enrollment estimates and projections;
- Review expenditures on data processing activities of departments.

Discretionary

Something not required by law, optional. (See cost-of-living adjustment).

Element (See programs)

A subdivision of a program. A program is subdivided into "elements" which are composed of "components" which can further be divided into "tasks".

Employee Compensation

Relating to the salary and benefit adjustments for compensation of state employees through the budget. Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of the Budget Act appropriate funds for compensation increases for most state employees (excluding Higher Education and some others), i.e., the incremental adjustment proposed for the salary and benefit adjustments for the forthcoming fiscal year. The base salary and benefit levels are included in individual agency/departmental budgets.

Encumbrance

The setting aside of a portion of an appropriation for commitments incurred by a governmental unit where the goods and services have not yet been received. These commitments are expressed by purchase orders, contracts, future salary, etc. It ceases to be an encumbrance when the commitment is paid or otherwise canceled.

Enrolled Bill Report (EBR)

SAM 6035

An analysis prepared on Legislative measures (passed by both houses and referred to the Governor) to provide the Governor and his/her staff with information concerning the measure and make a recommendation for action by the Governor. While approved Bill Analyses become public information, EBRs do not. No EBRs are prepared for Constitutional Amendments or for Concurrent, Joint or single house resolutions since these are not acted upon by the Governor.

Enrollment, Caseload, & Population (ECP)

Adjustments that occur due to increases/decreases in enrollment for the educational segments, caseload adjustments for programs such as Medi-Cal and welfare programs, and population adjustments for state hospitals and youth and correctional facilities.

Executive Branch (of State government)

One of the three branches of state government. It is charged with putting into effect and administering the state's laws and programs. The Governor's Office and those individuals and offices reporting directly to it (the Administration) are only part of the Executive Branch.

Executive Order (EO)

An order signed by the Director of Finance and, if necessary, the Governor for authorizing deficiencies in appropriations, augmentations or appropriations and other types of increases or decreases of appropriations. Executive Orders are also needed in transferring money from one fund to another in the absence of any other statutory provisions for such transfers.

An Expenditure is either:

- 1) For budgeting purposes: The amount of an appropriation used for goods and services ordered, whether paid or unpaid, where accounts are kept on an accrual basis or a modified accrual basis. Where the accounts are kept on a cash basis, the term designates only actual cash disbursements. Expenditures include expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

OR

- 2) For accounting purposes: The amount of an appropriation used for goods and services ordered and received, whether paid or unpaid, where accounts are kept on an accrual basis or a modified accrual basis. Where the accounts are kept on a cash basis, the term designates only actual cash disbursements. Expenditures include expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

Expenditure Authority

The authorization to make an expenditure (usually an appropriation or language giving the authorization to make the expenditure).

Feasibility Study Report (FSR)

A document proposing an electronic data processing project which contains analyses of options, cost estimates and other components.

Federal Fiscal Year (FFY)

The federal fiscal year begins on October 1 and ends the following September 30. If reference is made to FFY 1997, this is the time period beginning October 1, 1996 and continuing through September 30, 1997.

Federal Funds (FF)

In state budget usage, this term describes all funds received directly from an agency of the federal government but not those received through another state department. State departments must initially deposit such federal funds in the Federal Trust Fund, a fund in the State Treasury.

GC 13326 (DOF approval), 13338.5 approp. of FF SAM 6238 C.S. 8.50

Feeder Funds

Funds into which tax receipts or other state revenues are deposited upon collection and from which, in some cases, administrative cost of assessments and collections expenses and refunds are payable. The balance of the funds are transferable at any time by the Controller to the receiving fund. General Fund feeder funds are grouped by themselves and have fund numbers within the 0081 to 0099 series.

Final Budget

SAM 6039, 6100

A Final Budget is the Governor's Budget, as amended by action taken by the Legislature and Governor on the Budget Bill. Department of Finance produces a Final Budget Summary each summer. Each year a list of legislative changes to the Budget Bill is published by the Department of Finance after enactment of the Budget Act. (See Change Book) This change list summarizes the changes made by the Legislature in their review and the Governor by power of item veto. (Note: Since subsequent appropriations and other actions effect a fiscal year's budget, a budget is really not final until sometime after the year is completed.)

Finance Conversion Code Listing

SAM 6116.3

A listing distributed to departments in the Spring by the State Controller which based upon departmental updates will dictate how the salaries and wages detail will be displayed in the salary supplement.

Finance Letter (FL)

GC 13290

Proposals made by the Director of Finance to the chairpersons of the committees in each house which consider appropriations to amend the Budget Bill and the Governor's Budget from that submitted on January 10 to reflect a revised plan of expenditure for the budget year. The plan may also include revisions to the current year.

Fiscal Committee

The Senate and Assembly each have groups of members which review the fiscal impact of proposed legislation, including the Budget Bill. The Senate has the Budget and Fiscal Review Committee and the Appropriations Committee. The Assembly has the Appropriations Committee and the Budget Committee. Each budget committee is broken down into subcommittees responsible for specific State departments or subject areas. Both houses also have Revenue and Taxation Committees, which are often considered fiscal committees.

Fiscal Impact

Typically used to describe a section of an analysis (e.g. Bill Analysis) in which the costs and revenue impact of a proposal is described and, to the extent possible, a specific numeric estimate is made for applicable fiscal years.

Fiscal Year (FY)

A 12-month State accounting period which varies from the calendar year and the federal fiscal year. In California State government, the fiscal year runs from July 1 through the following June 30. It is the period during which obligations are incurred, encumbrances are made and appropriations are expended. The Governor's Budget presents three years of detailed fiscal data for the past, current and budget fiscal periods.

The State fiscal year is referenced by the first calendar year of the fiscal year, e.g., "96" or "1996" means the 1996-97 fiscal year. By contrast the federal fiscal year is referenced by the last calendar year of the fiscal year, e.g., "96" or "1996" means the 1995-96 fiscal year, which lasts from October 1, 1995 through September 30, 1996.

Floor

The entire Senate, or the entire Assembly. Also refers to the actual chamber floor where members of each house are seated during general sessions. The floor is not accessible to non-members without the permission of the house.

Fund

GC 17201

A legal entity established to provide separate accountability for a sum of money or other resources segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations and constituting an independent fiscal and accounting entity. A separate group of accounts must be maintained for each fund to show its assets, liabilities, reserves, and surplus, as well as its income and expenditures.

Fund Balance

Excess of the assets of a fund over its liabilities and reserves. (See Balance Available, Special Fund for Economic Uncertainties and Surplus.)

Fund Condition Statement

SAM 6135

A statement either included in the Governor's budget or as a supplemental schedule to the Budget for each special fund, special accounts in the General Fund, selected bond funds and other funds to disclose the beginning balance, revenues, expenditures and fund balance with appropriate reserves.

Galley

This refers to the State Printing Plant's prepared 11 x 17 inch budget display which is transmitted to departments during budget preparation. These "galley" pages will be updated with the necessary changes in accordance with the Department of Finance's instructions and the Executive Branch's fiscal and policy decisions for the forthcoming budget display.

General Fund (GF)

The General Fund is the predominant fund for financing state government programs. It is used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the personal income tax, sales tax and bank and corporation taxes. A complete itemization of the revenue sources are listed in Summary Schedule 8. The General Fund is used as the major funding source for education (K-12 and higher education), health and welfare programs, youth and adult correctional programs and tax relief. Summary Schedule 9 provides a summary listing of expenditures for the General Fund.

Governor's Budget

The document whereby the Governor presents to the Legislature by January 10 recommendations and estimates for financial operations of the state for the ensuing fiscal year. Currently, the Governor's Budget is primarily a program budget. This document also displays the actual revenues and expenditures of the state for the immediate past year, and updates the current year.

Article IV, § 12
SAM 6024, 6100
et seq

Governor's Budget Summary

See A-pages.

Grants

Typically used to describe amounts of money received by the State for specific purposes or provided to local governments, private organizations or individuals according to criteria applicable to each program.

Indirect Cost/expenses

Those expenses incurred which from their nature cannot be readily associated with a specific organization unit or program. Like overhead expenses, these expenses are prorated to the organization unit or program which benefit from their incurrence.

Initiative

Article II, § 8

The power of the electors to propose statutes or changes to the Constitution and to adopt or reject them. An initiative must be limited to a single subject and be filed with the Secretary of State with the appropriate number of voter signatures.

Item

See Appropriation.

Judgments

Usually refers to final money judgments by courts against the State. Payment of judgments is subject to a variety of controls and procedures.

Governmental Cost Funds:

See Special funds.

Language Sheets

Copies of the current Budget Act appropriation items are disseminated to DOF analysts and departments in the Fall. This information is to be updated to reflect the proposed appropriation amounts for the budget year along with the corresponding schedule(s) for the items and is also updated to change, delete or add new provisions to the items.

Legislative Analyst Office (LAO)

A non partisan body which provides advice to the Legislature on fiscal matters. The LAO annually publishes a detailed analysis of the Governor's Budget. This document becomes the initial basis for legislative hearings on the Budget Bill.

Legislative Counsel

A staff of attorneys who draft legislation (bills) and proposed amendments, and review, analyze and render opinions on legal matters for the legislative members.

Legislative Counsel Digest

A summary of what a legislative measure does contrasting existing law and the proposed change. This summary appears on the first page of a bill.

Legislative Information System (DOF-LIS)

The DOF-LIS is an on-line system developed by the Department of Finance in the early 1980's to maintain current information about all bills introduced in the Assembly and Senate for the current two-year session and for the two-year legislative session most recently completed.

Legislative Inquiry System (LDC-LIS)

The Legislative Data Center (LDC) also has a LIS which provides some of the same information as DOF-LIS. It also Provides text for each version of a bill, bill analyses by legislative staff, text of California's statutes, a comprehensive word search capability, etc.

Legislature

In California, the Legislature is a body of elected representatives composed of a Senate and Assembly, and vested with the responsibility and power to make laws affecting the State except as limited by the veto power of the Governor.

Limited-Term Position (LT)

SAM 6208

A limited-term position is any position which has been authorized for a specific length of time with a set termination date. Limited-term positions may be authorized during the budget enactment process or in transactions approved by the Department of Finance.

Line Item

See Objects.

Local Assistance (LA)

SAM 6136.5

The character (see UCM) of expenditures made for the support of local government activities.

Local Mandates

See State-Mandated Local Program.

May Revision

Ch. 201, Statutes of 1996

Pursuant to recent legislation, the Department of Finance is required to provide to the Legislature, by April 1 of each year, all proposed budget adjustments including any proposed policy adjustments to the original January 10 Governor's Budget proposal except: by May 1 of each year - all proposed adjustments to the Governor's Budget for appropriations for capital outlay; and by May 14 of each year - an estimate of General Fund revenues for the current and ensuing fiscal year, any proposals to reduce expenditures to reflect updated revenue estimates, and all proposed adjustments to Proposition 98 expenditures. In prior years, May Revision was considered a update of General Fund and selected special fund revenues, expenditures and reserve estimates based upon the latest economic forecast. A formal May Revision letter was typically sent to the Legislature in mid May, with individual departmental letters also submitted detailing the proposed expenditure changes from the original January 10 Governor's Budget proposal.

Merit Salary Adjustment (MSA)

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary adjustment of 5 percent per year (up to the top of the salary range for that Civil Service position classification) to recognize

proficiency or satisfactory work performance in the work performed. A budget adjustment may be warranted when the average range occupied in a department's positions increases due to 1) natural aging of new positions initially budgeted at the first step, or 2) other changes in turnover and hiring practices which result in an "aging" workforce. It has not been the policy of DOF to routinely approve such adjustments in recent years.

Minor Capital Outlay

Minor Capital Outlay consists of construction projects or equipment acquired to complete a construction project estimated to cost less than \$250,000.

Modified Accrual Basis

The basis of accounting under which expenditures other than accrued interest on general and long-term debt are recorded at the time liabilities are incurred and revenues are recorded when received in cash, except for material and/or available revenues which should be accrued to reflect properly the taxes levied and the revenue earned.

Nonadd

Refers to a numerical value which is not used in the computation of totals, usually because the amounts are also recorded or accounted for elsewhere in the data base or display.

Non-Governmental Cost Fund (NGCF)

Funds that account for monies derived from sources other than general or special taxes, licenses, fees or other state revenues. These funds are further classified as Public Service Enterprise Funds, Working Capital and Revolving Funds, Bond Funds, General Debt Service Funds, Retirement Funds, Trust and Agency Funds, Federal and other. (see Fund - UCM)

Objects/Object of expenditure

This is a sub-division of a category. For example, the category of Personal Services may consist of the following objects of expenditure:

- Salaries and Wages
- State Employees' Retirement
- Old Age and Survivors' Insurance
- Workers' Compensation

Operating expense object of expenditure include:

- General expense
- Postage
- Consultant and professional services
- Etc.

The Department of Finance publishes a Uniform Codes Manual which reflects the standard line-item objects of expenditure.

Obligations

Amounts which a governmental unit may be required legally to meet out of its resources. They include not only actual liabilities, but also the portion of unliquidated accruals representing goods or services received but not paid for.

One-Time Cost

Proposed or actual expenditure that is non-recurring (usually applies to only one annual financial plan) and not permanently included in baseline expenditures. Baseline adjustments for one-time costs are necessary to reduce the expenditure authority in subsequent year's financial plans.

Operating Expense and Equipment (OE&E)

A category of a support appropriation which includes objects of expenditures such as; general expenses, printing, communication, travel, data processing, and equipment and accessories for the equipment.

Out-of-State Travel (OST) blanket

SAM 6215, 0730-0733

A request by a state agency for Department of Finance approval which details the proposed out-of-state trips to be taken by personnel of that agency for the fiscal year.

Overhead

Those elements of cost necessary in the production of an article or the performance of a service which are of such a nature that the amount applicable to the product or service cannot be determined directly. Usually, they relate to those costs which do not become an integral part of the finished product or service, such as rent, heat, light, supplies, management, supervision, etc.

Overhead Unit

An organizational unit which benefits the production of an article or a service which cannot be directly associated to an article or service to distribute all of its expenditures to elements and/or work authorizations. The cost of which are distributed to operating units or programs within the department.

Past Year (PY)

SAM 6100

The fiscal year just completed. See Fiscal Year.

Performance Budget

A budget wherein proposed expenditures are based primarily upon measurable performance of activities or work programs and measure of success in achieving objectives. A performance budget may also incorporate other bases of expenditure classification, such as character and object, but these are given a subordinate status to activity performance.

Personal Services

SAM 6111 et seq

A category of expenditure which includes such objects of expenditures as the payment of salaries and wages of state employees and employee benefits, including the state's contribution to the Public Employees' Retirement Fund, insurance premiums for workers' compensation, the state's share of employees' health insurance premiums, etc. (see Object - UCM)

Personnel Year (PY)

The actual or estimated portion of a position expended for the performance of work. For example, a full-time position which was filled by an employee for half of a year would result in an expenditure of 0.5 personnel year. May also be referred to as a personnel equivalent.

Plan of Financial Adjustment (PFA)

A plan proposed by a department and accepted by the Controller to permit the Controller to transfer monies from one item to another within a department's appropriations. The Controller transfers the funds upon receipt of a letter from the department stating the amount to be transferred based on the criteria for distribution of costs in the approved plan.

Planning Estimate (PE)

A document used to record and monitor those current and budget year expenditure amounts which are 1) the result of budget change proposals approved for inclusion in the Governor's Budget, and/or 2) estimates of major expenditures. Planning Estimates are broken down by department, fund type, character, Budget Bill/Act appropriation number, and "lines" (which are expenditure groupings, such as: employee compensation, price increase, one-time costs, etc.). PEs can be used for quick planning or "what if" analysis, are updated at frequent intervals, and are primarily used to record the incremental decisions made about changes to each base budget. PEs identify all proposed expenditure changes (baseline and policy) to the previous year's Budget Act, and once budget preparation is complete, PEs will reflect ("tie" to) all other fiscal characterizations of the proposed Governor's Budget. Sometimes used synonymously with Planning Estimate Line, which is one specific expenditure grouping.

Planning Estimate Line

A separate planning estimate adjustment or entry for a particular expenditure or type (see Planning Estimate).

Policy Decision

A decision requiring a judgment to be made by DOF management or the Governor's Office (e.g., a decision to approve or reject a BCP). Excludes all decisions which have been delegated to staff to make the more routine budget adjustments. Annual Budget Letters provide guidance on which types of decisions require policy review.

Pooled Money Investment Account (PMIA)

A State Treasurer's accountability account maintained by the Controller to account for short-term investments purchased by the State Treasurer as designated by the Pooled Money Investment Board on behalf of various funds.

Pooled Money Investment Board (PMIB)

A board consisting of the Director of Finance, State Treasurer and the State Controller, the function of which is to determine amounts of idle cash in the State Treasury (fund cash), the Centralized Trust System and of the Surplus Money Investment fund that should be invested by the State Treasurer.

Positions

See Authorized Positions.

Price Increase

A baseline adjustment to reflect the inflation factors for specified operating expenses consistent with the budget instructions from the Department of Finance.

Programs

The activities of an organization grouped on the basis of common objectives. Programs are comprised of elements, which can be further divided into components and tasks (the lowest defined program activity).

Program Budget

GC 13336
SAM 6003

A budget wherein the emphasis is placed on the purposes or clients served (as defined in the program structure for each department) by a given commitment of resources. The expenditures are primarily on programs and secondarily on character and object. A program budget expresses the operating plan in terms of the costs of activities to be undertaken to achieve specific goals and objectives.

Program Cost Accounting (PCA)

A system of accounting which provides for the identification of costs by activities performed in contrast to the traditional line-item format. The purpose of this system is to produce cost data sufficiently accurate to be dependable for use by the agency in the allocation and management of its resources by program.

Proposed New Positions (PNP)

Article XVI § 8

A request for an authorization to expend funds for the employment of additional people for the performance of work. Proposed new positions may be for limited time periods (limited term) and for full or less than full-time. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed.

Proposition 4

Refer to State Appropriations Limit.

Proposition 98

An initiative passed in the November 1988, and amended in the June 1990, election which provides a minimum funding guarantee for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs for Kindergarten through grade 14 (K-14) beginning with fiscal year 1988-89. Also used to refer to any expenditures which fulfill the guarantee.

Pro rata

The amount of "administrative costs" (i.e., amounts expended by the State Treasurer, State Personnel Board, Secretary of State, Department of Finance, Department of General Services and the State Controller for the general administration of state government) chargeable to each special fund other than the General Fund as determined by the Department of Finance.

Provision

GC 13332.03
SAM 8752-8756

Language in a bill or act which imposes requirements or constraints upon actions or expenditures by the State. Often used to place constraints on the expenditure of appropriations, but may be used to provide additional authorization, or exceptional authority (exceptional authority usually begins with the phrase "notwithstanding...").

Public Service Enterprise Funds

A group of funds to account for the transactions of self-supporting enterprises which render services for a charge primarily to the general public. See Working Capital and Revolving Fund for the accounting of services rendered to other state agencies or local governments.

Reappropriation

The extension of the availability of an appropriation for expenditure beyond its set termination date and/or for a new purpose. Reappropriations are typically authorized by the Legislature for one year extensions at a time, but may be for some greater or lesser period.

Recall

Article II, § 13

The power of the electors to remove an elected officer.

Reconciliation With Appropriations (RWA)

SAM 6134

A statement in each budget presentation which provides the source and amount of appropriations, by fund, available to the department and the disposition of such appropriated funds. Statements are presented by fund for each character of expenditure, i.e., State Operations, Local Assistance and Capital Outlay.

Redemption

The act of redeeming a bond or other security by the issuing agency.

Referendum

Article II, § 9

The power of the electors to approve or reject statutes or parts of statutes with specified exceptions, and meeting specified deadlines and number of voters' signatures.

Refund to Reverted Appropriations

A revenue account to record abatements and reimbursements to appropriations that have reverted.

Regulations

GC 13075, 11342
SAM 6050-6056
Article XIIIB, § 6
GC 17415

A directive, rule, order, or standard of general application issued by a state agency to implement, interpret, or make specific the law enforced or administered by it. The process of adopting or changing most regulations is subject to the Administrative Procedures Act and the oversight of the Office of Administrative Law (OAL). DOF must approve any non-zero estimate of state or local fiscal impact included in a regulative package before it can be approved by OAL.

Reimbursements

SAM 6131

Cash received as a repayment of the cost of work or service performed or other expenditures made for or on behalf of another governmental unit or department. Reimbursements are available for expenditure up to the budgeted amount (scheduled in an appropriation). A budget revision must be prepared and approved by the Department of Finance before any reimbursements in excess of the budgeted amount can be expended.

Reserve

An amount set aside in a fund balance for the unencumbered balance of continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations and appropriations for capital outlay projects.

Revenue

Generally, revenue is derived from taxes, licenses and fees, or investment earnings. It is a type of receipt (as defined in the UCM). A revenue is any addition to cash or other current assets which does not increase any liability or reserve and does not represent the recovery of an expenditure, e.g. reimbursements and abatements. Revenues are deposited into a fund for future appropriation. They are not available for current expenditure until appropriated.

Revenue Anticipated Notes (RANS)

A RAN is a Revenue Anticipation Note. It is normally used to eliminate cash flow imbalances in the General Fund within a given fiscal year. It is not a deficit financing tool; it is a mechanism used to smooth cash flow within a given fiscal year, and is a commonly used cash management tool.

Revenue Anticipated Warrants (RAWS)

A RAW is a reimbursement warrant (Revenue Anticipation Warrant) issued when there is expected to be insufficient monies in the General Fund to pay all current obligations of the State. The key distinction between a RAN and a RAW is that to date RANs have never been issued across fiscal years.

Reversion

SAM 6136

The return of the unused portion of an appropriation to the fund from which the appropriation was made. The undisbursed portion of an appropriation reverts two years (four years for federal funds) after the last day of availability for encumbrance. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit.

Reverted Appropriation

An appropriation which has been in existence for the period allowed by law and which has lapsed. It is no longer available for encumbrance, although it may be used to pay claims for valid obligations incurred during its period of availability for liquidation of encumbrances. Normally, an appropriation is reverted to the fund's unappropriated surplus two years after the date of availability period has expired.

Revolving Fund

A sum of money provided to carry out a cycle of operations. The amounts disbursed from the fund are restored thereto from earnings from operations, by transfers from other funds, or by reimbursement. In California state accounting, an agency revolving fund is not a fund in the same sense that a Treasury fund is, but is rather an advance from an agency's appropriation, from which the agency may make immediate expenditures by check, the revolving fund being later reimbursed for these expenditures by warrant drawn against the balance of the appropriation. The size of departmental revolving funds is subject to DOF approval within statutory limits.

SAL

See State Appropriations Limit.

Salary Savings

SAM 6113, 6232

Salary Savings reflects personnel cost savings resulting from vacancies and downward reclassifications as a result of turnover of employees. The amount of budgeted salary savings is an estimate generally based on past years' experience.

Salaries and Wages Supplement

One of the companion documents which make up the Governor's Budget proposal. This publication contains a summary by classification of all the positions for state departments. It is structured by departmental organization.

Schedule

SAM 6105, 6120, 6122

- (1) The detail of an appropriation, showing the distribution of the appropriation to each of the categories, programs or projects thereof.
- (2) The document supporting a claim to the State Controller, listing in detail the employee or vendor claimants to whom amounts are payable and in whose favor warrants are to be drawn.
- (3) A supplemental schedule submitted by departments to detail certain expenditures.
- (4) A summary listing in the Governor's Budget.

Schedule 2

This is also known as the "Changes in Authorized Positions" schedule that is prepared as part of the Governor's Budget. (See Changes in Authorized Positions.)

Schedule 7A

SAM 6105, 6115

This is a summary version of the detailed Schedule 8 listing from the State Controller for each department. The information reflected in this schedule is the basis for the Salaries and Wages Supplement publication.

Schedule 8

SAM 6116

- This is a detailed listing generated from the State Controller's payroll records for a department of its positions as of June 30 and updated for July 1. This listing must be reconciled with each department's personnel records and becomes the basis for centralized payroll and position control. The reconciliation should coincide with the level of authorized positions for the department in accordance with the final Budget.
- The Schedule 8 in the Governor's Budget provides a summary of revenues by source.

Schedule 9

- This is a supplementary schedule submitted by departments during budget preparation which details equipment expenditures.
- The Schedule 9 in the Governor's Budget provides a summary of expenditures by agency and department.

Schedule 10s

SAM 6140 et seq

- Also known as the Supplementary Schedule of Appropriations. This control document lists all appropriations and allocations of funds available for expenditure during each of the three fiscal years reported in the Budget. This schedule is separated by State Operations, Local Assistance and Capital Outlay. This schedule includes Budget Act appropriations, appropriations authorized in other legislation and existing statutes or codes (continuous appropriations). This document reconciles expenditures by appropriation (fund source) and details the series of adjustments made to appropriations, including allocation of new funds. The information provided in this document is summarized in the Reconciliation with Appropriations in the Governor's Budget.
- The Schedule 10 in the Governor's Budget provides a summary of fund conditions by fund.

Schedule 10Rs

This schedule reflects the actual, the estimated and anticipated revenue and transfers which will affect the General Fund and Special Funds.

Schedule 11

SAM 6105, 6120, 6125

This is a supplementary schedule submitted by departments during budget preparation which details their operating expenses and equipment.

Schedule of Federal Funds

SAM 6128.5

This is a supplemental schedule submitted by departments during budget preparation which displays the federal receipts by grant number and affected program and character.

Schedule of Reimbursements

This is a supplemental schedule submitted by departments during budget preparation which displays the source of the reimbursement, the affected program and character.

Section 1.50

This is a Section of the Budget Act which allows the Department of Finance to make changes in the Budget that are of a technical nature and consistent with legislative intent.

Section 6.50

SAM 6233 (note: reference is made to Sec 27/1981)

Prior to 1996-97, this was a Control Section of the Budget Act which provided the authority for a department to transfer funds from one category, program or project within a schedule to another category, program or project within the same schedule, subject to specified reporting conditions. Similar provision now contained in Section 26.00.

Section 8.50

This Control Section of the Budget Act provides the authority to increase federal funds for the Budget during the fiscal year.

Section 20

GC 12439

This term refers to position(s) which are abolished because the position(s) was continuously vacant for the 9-month period from October 1 to the following June 30. Current authority to abolish these positions is Government Code Section 12439. Prior to 1982, the authority was

contained in Section 20 of the Budget Act, hence the reference to "Section 20" position. The State controllers Office produces a listing of positions which its records indicate are subject to this provision at or near the same time as the Schedule 8 is produced.

Section 26.00

A Control Section of the Budget Act which provides the authority for a department to transfer funds from one category, program or function within a schedule to another category, program or function within the same schedule, subject to specified reporting conditions.

Section 27.00

Control Section details the conditions under which a department may incur a deficiency and the reporting requirements associated with Finance approval of deficiencies.

Section 28.00

Refers to Control Section 28.00 of the Budget Act. This section authorizes the Director of Finance to augment or reduce items of expenditure (most often Federal Funds). It also contains specific reporting requirements.

SAM 6236.5-6236.8

Section 28.50

Control section which authorizes Department of Finance to augment or reduce reimbursements from other state agencies subject to specific reporting requirements.

Section 31.00

Control Section 31.00 specifies certain Budget Act Administrative procedures. This section (1) subjects the Budget Act appropriations to various sections of the Government Code, (2) limits the new positions a department may establish to those authorized in the Budget, (3) requires DOF approval and legislative notification of certain position transactions, (4) requires all administratively established positions to terminate on June 30 and allows for such positions to continue if they were established after the Governor's Budget was submitted to the Legislature, and (5) prohibits increases in salary ranges and other employee compensation which require funding not authorized by the budget unless the Legislature is informed.

Senate

California's upper house of the Legislature consisting of 40 members who serve four year terms. Twenty members are elected every two years. No senator may serve more than 2 terms.

Service Revolving Fund

This fund is used to account for and finance many of the services rendered by the Department of General Services to its clients. Amounts expended by the fund are reimbursed for sales and services at pricing rates sufficient to keep the fund solvent.

Settlements

Refers to any proposed or final settlement of a legal claim (usually a suit) against the State. approval of settlements and payments for settlements are subject to numerous controls. See Government Code Section 965.

Shared revenue

A state-imposed tax such as gasoline tax which is shared with local governments in proportion, or substantially in proportion, to the amount of tax collected or produced in each local unit. The tax may be collected either by the State in the first instance and shared with the localities, or collected locally and shared with the State.

Special Fund for Economic Uncertainties

Statutes and the control sections of the Budget Act provide for the establishment of a Special Fund for Economic Uncertainties in the General Fund and a reserve in each special fund to provide for emergency situations.

Special Funds

Any fund created by statute which must be devoted to some special use in accordance with that statute. Special fund is a generic term used for "governmental cost funds" other than the General Fund. Governmental cost funds generally are commonly defined as those funds used to account for revenues from taxes, licenses and fees where the use of such revenues is restricted by law for particular functions or activities of government. Examples of special funds are the transportation funds, fish and game funds and the professions and vocations funds. Revenues, expenditures and the condition of special funds are summarized in Governor's Budget Schedules 8, 9 and 10 in the appendix. Sometimes special funds may mean various or all funds other than the General Fund; also, can be synonymous to Other funds.

Special Items of Expense

SAM 6132

A category of expenditure (See UCM) referring to nonrecurring large expenditures, or special purpose expenditures that generally require a separate appropriation or require separation for clarity.

Sponsor

An individual, group or organization which initiates or brings to a Legislator's attention a proposed law change.

Spot Bill

A bill that is introduced that makes non-substantive changes in a law. The intention is that this bill will be amended at a later date to include substantive law changes. This procedure evades the deadline for the introduction of bills.

State Appropriations Limit (SAL)

An initiative (Proposition 4), passed in November of 1979, which generally limits the growth in the level of certain appropriations from tax proceeds to the level of the prior year's appropriation limit as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

Staff Benefits

SAM 6114

An object of expenditure (see UCM) which represents the state costs of contributions for employees' retirement, OASDI, health and welfare benefits and nonindustrial disability leave benefits.

State Fiscal Year

The period beginning July 1 and continuing through the following June 30.

State-Mandated Local Program

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the 1979 general election. (See Governor's Budget: 8885 Commission on State Mandates)

Article XIII B, § 6
GC 17500 et seq
SAM 6050

State Operations (SO)

A character of expenditure representing expenditures for the support of State government, exclusive of capital investments and expenditures for local government activities.

Statewide Cost Allocation Plan (SWCAP)

Indirect costs of centralized state services which are attributed to the cost of Federal programs and for which the Federal government allows the General Fund to be reimbursed, as determined by the Department of Finance.

GC 13332.01-
13332.02
SAM 8752-8756

Statute

Article IV, § 9

A written law which was enacted by the Legislature and not vetoed by the Governor (or a vetoed bill overridden by a two-thirds vote of both houses). It is usually referred to by its chapter number and the year in which it is enacted. A statute shall be limited to one subject. Statutes which modify a Code are "codified" into the respective Code, e.g., Government Code, Health and Safety Code, etc.

Subcommittee

The Senate or Assembly committees are often divided into smaller groupings. Particularly with legislative fiscal hearings on the annual budget act, the fiscal committees are subdivided into subcommittees to discuss the budget by specific related subjects.

Subventions

Typically used to describe amounts of money which are expended as local assistance based on a formula as opposed to grants which are provided selectively, often on a competitive basis.

Summary By Object (SBO)

SAM 6109, 6133

A summary of actual past year and estimated current year and proposed budget year expenditures for goods and services for each organization presented for State Operations, Local Assistance and Capital Outlay.

Summary of Program Requirements

SAM 6108.2

At the front of each departmental budget is a Summary of Program Requirements. It presents the various departmental programs by title, dollar totals, personnel-years, and source of funds for the past, current and budget years.

Summary Schedules

The Governor's Budget includes schedules which summarize state revenues, expenditures and other fiscal and personnel data for the past, current and budget years. (See Governor's Budget Schedules 1-13 in the Appendix.)

Sunset Clause

Language contained in a law which states the expiration date for that statute unless it is extended by the Legislature.

Surplus

The excess of the assets (or resources) of a fund over its liabilities and liability reserves (or obligations). An outdated and often misused term. Use Fund Balance instead, as it is more precise.

Tax Expenditures

Subsidies provided through the taxation systems by creating deductions, credits and exclusions of certain types of income or expenditures that would otherwise be taxable.

Technical

In the Budget systems, the term "Technical" is used to refer to an amendment, usually considered by DOF as having minimal impact, which clarifies, corrects, or otherwise does not materially affect the intent of a bill.

Tort

A tort is a civil wrong, other than a breach of contract, for which the court awards damages. Traditional torts include negligence, malpractice, assault and battery. Recently, torts have been broadly expanded--interference with a contract and civil rights claims can be torts. Torts result in either settlements or judgments.

GC 948, 965 to
965.9
SAM 6132.1, 8712
BA Item 9670

Traditional Budget

Also called the line-item budget. This budget is determined by estimating the expenses by object of expenditure for a fiscal year. It differs from a program budget in that the amount budgeted is for the amount required by a unit or department for a fiscal year rather than the amount required by a specific program.

A traditional budget expresses the plan in terms of the costs of the goods or services to be used to perform specific functions.

Transfers

As reflected in fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority. See also category transfer.

Trigger

SAM 6106

An event which causes an action or actions. Triggers can be active (such as pressing the update key - the trigger, causing validation of the input - the action) or passive (such as the passing of time - the trigger, setting off a reminder message - the action). In recent years, budget "trigger"

mechanisms have been enacted in statute under which various budgeted programs would be automatically reduced if revenues fell below expenditures by a specific amount.

Unappropriated Surplus

That portion of the surplus of a fund which is not segregated for specific purposes; the excess of the fund's assets over the fund's liabilities and appropriated surplus. As with the use of the word surplus, this is an outdated term. Instead, use Fund Balance.

UCM

See Uniform Codes Manual

Unencumbered Balance

The balance of an appropriation after encumbrances (balances on Controller's records after accruals are posted).

Uniform Codes Manual (UCM)

A document maintained by the Fiscal Systems and Consulting Unit of the Department of Finance, which sets standards for codes and various other information used in State fiscal reporting systems.

Unscheduled Reimbursements

Reimbursements collected by an agency that were not budgeted and are accounted for by a separate reimbursement category of an appropriation. To use unscheduled reimbursements, a budget revision must be issued by the Department of Finance, subject to any applicable legislative reporting requirements (e.g., Section 28.50).

Urgency Legislation/statute

Article IV, § 8 (d)

A measure which contains an urgency clause will take effect immediately upon the signing of the measure by the Governor and the filing of the signed bill with the Secretary of State. Urgency statutes are necessary for immediate preservation of the public peace, health or safety. These measures also require approval by a two-thirds vote of the Legislature, rather than a majority.

Warrant

An order drawn by the Controller upon the Treasurer directing the latter to pay a specified amount, from a specified fund, to the person named or to the bearer; corresponds generally to a bank check, but is not necessarily payable on demand and may not be negotiable.

Without Regard To Fiscal Year (WRTFY)

This means no period of limitation is imposed on the availability of an appropriation.

Working Capital and Revolving Fund

A fund established to finance activities, usually of a manufacturing or service nature, which gives rise to income from which the working revolving fund is reimbursed. For example: the Printing Fund finances the operations of the State Printing Office and is reimbursed by means of charges made for the printed material produced; the Purchasing Revolving Fund makes possible the large-scale purchasing of the many commodities required in state operation, the fund being reimbursed by state agencies for supplies received through the Division of Purchases. A working capital fund is usually employed to finance operations of any agency rendering service to the State's own departments and institutions.

Workload

The measurement of increases and decreases of inputs or demands for work is a common basis for projecting related budget needs for both established and new programs. Many BCPs are based on analyses and projects of incremental changes in workload. This approach is often viewed as an alternative to outcome or performance based budgeting where resources are allocated based on pledges of measurable performance and greater performance results in more resources being allocated.

Veto

Article IV, §10(e)
SAM 6036

The Governor's Constitutional authority to reduce or eliminate one or more items of appropriation while approving other portions of a bill.

Acronyms/ Commonly used initials

AB - Assembly Bill
ADA - Average Daily Attendance
AE positions - Administratively established positions
BOC - Board of Control
BA - Budget Act
BAG - Budget Analyst Guide
BATH - Budget Analyst Training Handbook
BCP - Budget Change Proposal
BL - Budget Letter
BR - Budget Revision
BY - Budget Year
COBCP - Capital Outlay Budget Change Proposal
CALSTARS - California State Accounting and Reporting System
CO - Capital Outlay
C/O - Carryover
CB - Change Book
Ch. - Chapter
COLA - Cost of Living Adjustment
CY - Current Year
DOF - Department of Finance
EBR - Enrolled Bill Report
ECP - Enrollment, Caseload, and Population
EO - Executive Order
FFY - Federal Fiscal Year
FF - Federal Funds
FL - Finance Letter
FM - Finance Memo
FY - Fiscal Year
GF - General Fund
GAAP - Generally Accepted Accounting Principles
GB - Governor's Budget
GO Bonds - General Obligation Bonds
LAO - Legislative Analyst's Office
LIS - Legislative Information System (DOF - LIS)
LIS - Legislative Inquiry System (LDC - LIS)
LT - Limited term
LA - Local Assistance
MM - Management Memo
MSA - Merit Salary Adjustment
MCO - Minor Capital Outlay
NGCF - Non-Governmental Cost Fund
OE&E - Operating expenses and equipment
OST - Out of state travel
P98 - Proposition 98
PY - Past Year
PY - Personnel year
PFA - Plan of financial adjustment
PE - Planning estimate
PMIA - Pooled Money Investment Account
PMIB - Pooled Money Investment Board
PCA - Program Cost Accounting
PNP - Proposed new position
PWB - Public Works Board

Acronyms/ Commonly used initials (continued)

RWA - Reconciliation with Appropriations
RANS - Revenue Anticipated Notes
RAWS - Revenue Anticipated Warrants
SAL - State Appropriation Limit
SAM - State Administrative Manual
SB - Senate Bill
S&W - Salary and Wages
SWCAP - Statewide Cost Allocation Plan
SBO - Summary by Object
SF - Special Fund
UCM - Uniform Codes Manual
WRTFY - Without regard to fiscal year
YOA - Year of appropriation
YOB - Year of budget
YOC - Year of completion

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